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Order 2001-5-9

Served: May 15, 2001



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 10th day of May, 2001

Essential Air Service at

**EPHRATA/MOSES LAKE,
WASHINGTON**

under 49 U.S.C. 41731 *et seq.*

Docket OST-98-3344- 4

ORDER REQUESTING PROPOSALS

Summary

By this order we are requesting proposals from carriers interested in providing essential air service at Ephrata/Moses Lake, Washington.¹

Background

By Order 2000-3-5, issued March 13, 2000, the Department selected Horizon Air Industries, Inc. (Horizon), to provide essential air service at Ephrata/Moses Lake for a two-year period. Subsidy was set at an annual rate of \$514,311 for the period January 1, 2000, through December 31, 2001, for twelve nonstop round trips each week (two round trips Monday-Friday and two round trips over the weekend period) between Ephrata/Moses Lake and Seattle with 37-seat DeHavilland Dash 8-200 aircraft.

Horizon's two-year contract will expire on December 31, 2001. However, the Department recently has become aware of another carrier that is interested in providing essential air service at Ephrata/Moses Lake. We contacted Horizon and advised the carrier of this situation. Horizon stated that it does not object to the Department's issuing an order seeking replacement service proposals and would not object to such a replacement carrier being selected to begin service prior to the end of the current contract.

¹ See Appendix A for a map.

Essential Air Service Determination for Ephrata/Moses Lake

Essential air service at Ephrata/Moses Lake is defined as at least two nonstop or one-stop round trips each weekday and over each weekend period to Seattle, with sufficient capacity to accommodate 16 enplanements each service day.²

Request for Proposals

We request that any carriers interested in providing essential air service at Ephrata/Moses Lake file their proposals within 20 days of the service date of this order. We ask that carriers submit proposals for three nonstop or one-stop round trips per day, six days per week, to Seattle, with 15-19 seat aircraft, or two round trips a day with larger aircraft. We will also entertain proposals to other hubs that provide access to the national air transportation system in order to give the Department and community as broad an array of proposals as possible from which to choose. Of course, as always, we will formally solicit the community's views on any service options we receive before making a long-term carrier selection decision. In order to assist carriers in making their traffic and revenue forecasts, we have included historical traffic data in Appendix B.

Procedures For Filing Proposals

For interested air carriers that are not familiar with our procedures and recommended form for supplying the necessary information, we have prepared two explanatory documents that we will make available upon request. The first describes the process for handling carrier replacement cases under 49 U.S.C. 41734(f) and discusses in detail the process of seeking proposals, conducting financial and operational audits of the applicant carriers and selecting a replacement carrier. The second is an evidence request containing an explanatory statement, and a copy of section 14 CFR 204.4 of the Department's regulations which deals with the information required of all applicants for authority to provide basic essential air service, and provides schedules giving our recommended form for submitting data required for determining the financial and operational ability of applicants to provide dependable air service.³

Community and State Comments

The community and the State are welcome to submit comments on the proposals at any time.⁴ Early in the proceeding, comments on the perceived strengths and weaknesses of the proposals would be particularly helpful to the Department. The civic parties may also express a preference for a particular carrier or proposal option at that time, if they choose. In any event, after we conclude rate conferences with all applicants, we

² Department of Transportation Order 92-3-7, issued March 3, 1992.

³ Copies of these documents can be obtained from: EAS & Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 400 7th Street, S.W., Washington, DC 20590. Telephone requests for these documents are accepted at (202) 366-1053.

⁴ Civic parties should file an original and five copies of their comments in Docket OST-98-3344. This filing should be addressed to: Docket Operations and Media Management Division, SVC-124, Office of the Secretary, U.S. Department of Transportation, Room PL 401, 400 Seventh Street, S.W., Washington D.C. 20590.

will provide a summary of the conference results to the civic parties and ask them to file their final comments.⁵

Other Carrier Requirements

The Department is responsible for implementing various Federal statutes governing lobbying activities, drug-free workplaces, and nondiscrimination.⁶ Consequently, all carriers receiving Federal subsidy to support essential air service must certify that they are in compliance with Department regulations regarding drug-free workplaces and nondiscrimination, and those carriers whose subsidies exceed \$100,000 over the life of the rate term must also certify that they are in compliance with regulations governing lobbying activities. All carriers that plan to submit proposals involving subsidy should submit the required certifications along with their proposals.⁷ Interested carriers requiring more detailed information regarding these requirements as well as copies of the certifications should contact the Office of Aviation Analysis at (202) 366-1053. The Department is prohibited from paying subsidy to carriers that do not submit these documents.

This order is issued under authority delegated in 49 CFR 1.56a(f).

ACCORDINGLY,

1. We request that carriers interested in providing essential air service at Ephrata/Moses Lake, Washington, submit their proposals, with or without requests for subsidy, within 20 days of the service date of this order. An original and five copies of the proposal should be sent to the EAS and Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 400 7th Street, S.W., Washington, D.C. 20590, with the title: "Proposal to Provide Essential Air Service at Ephrata/Moses Lake, Washington, Docket OST-98-3344; ⁸

⁵ In cases where a carrier proposes to provide essential air service without subsidy and we determine that service can be reliably provided without such compensation, we do not normally hold rate conferences. Instead, we rely on the carrier's subsidy-free service.

⁶ The regulations applicable to each of these areas are (1) 49 CFR Part 20, New Restrictions on Lobbying, Implementing title 31, United States Code, section 1352, entitled "Limitation on use of appropriated funds to influence certain Federal contracting and financial transactions"; (2) 49 CFR Part 29, Subpart F, Drug-Free Workplace Requirements (Grants) implementing the Drug-Free Workplace Act of 1988; (3) 49 CFR Part 21, Nondiscrimination in Federally-Assisted Programs for the Department of Transportation--Effectuation of Title VI of the Civil Rights Act of 1964; 49 CFR Part 27, Nondiscrimination on the basis for Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance; and 14 CFR Part 382, Nondiscrimination on the Basis of Handicap in Air Travel.

⁷ Blank certification forms can be found on the Office of Aviation Analysis official website at <http://ostpxweb.dot.gov/aviation/rural/ruralair.htm>

⁸ After serving a copy of its proposal on the civic officials of Ephrata and Moses Lake, the State of Washington, and each of the other applicants, each applicant must then file a certification of service with the Department's Docket Operations and Media Management Division, SVC-124. Questions regarding filings in response to this order may be directed to John McCamant at (202) 366-1060.

2. This docket will remain open until further Department order; and
3. We will serve a copy of this order on the mayors of Ephrata and Moses Lake, the manager of the Grant County Airport, the Governor of Washington, the Washington Department of Transportation, Horizon Air, and the carriers listed in Appendix C.

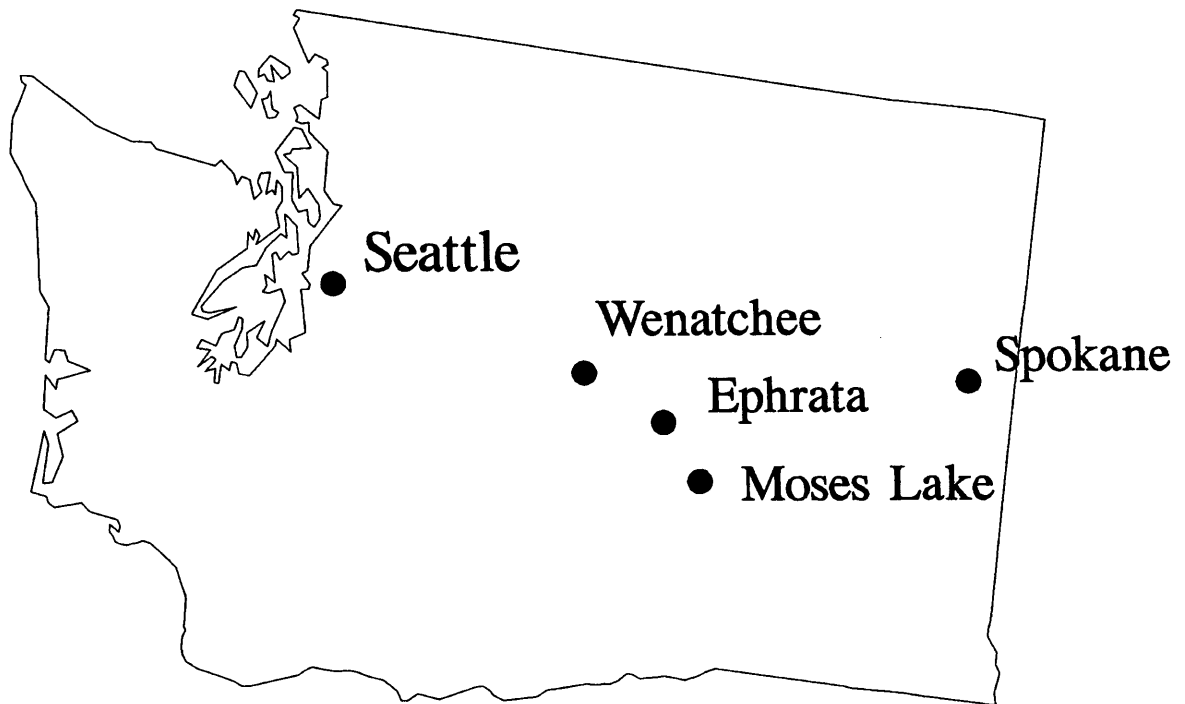
By:

SUSAN MCDERMOTT
Deputy Assistant Secretary for Aviation
and International Affairs

(SEAL)

*An electronic version of this document is available on the World Wide Web at
<http://dms.dot.gov>*

MAP OF WASHINGTON



Appendix B

**HISTORICAL TRAFFIC
AT EPHRATA/MOSES LAKE, WASHINGTON**

| | <u>MWH-SEA</u> | <u>SEA-MWH</u> | <u>TOTAL</u> |
|----------------|-----------------------|-----------------------|---------------------|
| 1991 | 4,442 | 4,207 | 8,649 |
| 1992 | 4,722 | 4,602 | 9,324 |
| 1993 | 4,854 | 4,983 | 9,837 |
| 1994 | 7,116 | 7,100 | 14,216 |
| 1995 | 10,220 | 10,073 | 20,293 |
| 1996 | 10,029 | 10,320 | 20,349 |
| 1997 | 11,100 | 10,752 | 21,852 |
| 1998 | 10,986 | 9,721 | 20,707 |
| 1999 | 11,191 | 10,994 | 22,185 |
| 2000 | 9,988 | 9,845 | 19,833 |
| 2001 (1Q only) | 2,742 | 2,730 | 5,472 |

Source: RSPA Form 298-C, Schedule A-1

SERVICE LIST FOR THE STATE OF WASHINGTON

Air LA, Inc.
Amerijet International, Inc.
Barken International, Inc.
Big Sky Transportation Co.
Delta Connection
Harbor Airlines, Inc.
Kenmore Air Harbor, Inc.
Metroflight, Inc.
Midway Airlines, Inc.
Midwest Express Airlines, Inc.
Northern Tier Airlines. Inc.
Northwest Airlink
Northwest Seaplanes, Inc.
Pacific Airwest, Inc.
Papillon Airways, Inc.
Patterson Aviation Company
Skyrunners Corporation
West Air Charter
West Isle Air, Inc.
WestAir Commuter Airlines, Inc.
Wings West Airlines, Inc.

Ken Bannon
Moise Berger
E.B. Freeman
A. Edward Jenner
John McFarlane
Richard A. Raymer
Kevin Thomas